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December 7, 2004

VIA HAND DELIVERY

Mr. George N. Dorn, Jr.
Executive Director
Public Service Commission of South Carolina
Synergy Business Park, Saluda Building
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Columbia, SC 29210

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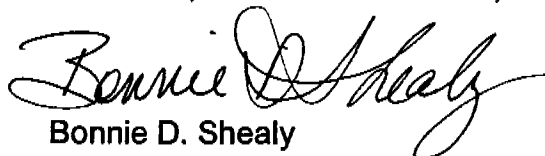
**Re: Cognigen Networks, Inc.
Docket No. 2004-241-C
File No. 03496-0001**

Dear Mr. Dorn:

During the hearing held on December 2, 2004, the Commission requested that we submit additional information concerning Cognigen Networks, Inc.'s agent programs and agents' compensation. Enclosed for filing please find the Late Filed Hearing Exhibit which summarizes the agent programs and compensation system with attached copies of the agent agreements. Please stamp the extra copies as proof of filing and return them with our courier. Should you have any questions, please have someone on your staff contact me.

Very truly yours,

ROBINSON, MCFADDEN & MOORE, P.C.


Bonnie D. Shealy

BDS/mfc
Enclosure

cc/enc: Thomas S. Smith, (via e-mail)
Patrick D. Crocker, Esquire, (via e-mail)
Beth Ronfeldt, (via e-mail)
David Butler, Esquire (via e-mail)
Ms. Daphne Werts (via email)

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

IN THE MATTER OF:)

THE APPLICATION OF COGNIGEN)
NETWORKS, INC. CERTIFICATE)
OF PUBLIC CONVENIENCE AND)
NECESSITY TO TRANSACT THE)
BUSINESS OF A RESELLER OF)
INTEREXCHANGE)
TELECOMMUNICATIONS SERVICES)
AND FOR APPROVAL OF ITS INITIAL)
TARIFF)
_____)

Docket No. 2004-241-C

LATE FILED HEARING EXHIBIT

**SUMMARY OF AGENT PROGRAMS
FREE AGENT AGREEMENT
MASTER AGENT AGREEMENT
SUMMARY OF COMPENSATION PROGRAM**

COGNIGEN NETWORKS, INC.
Independent Representatives Program

Cognigen Networks Inc. primarily markets its telecommunications products through the Internet. Cognigen relies on independent agents who use websites provided by Cognigen. There are no costs or fees associated with being a Cognigen agent. There are two types of agents based on the sales volume. The agents receive residuals on the volumes sold by subagents. Summaries of the requirements for both programs are provided below:

1. Free Agent Program – A copy of the Independent Representative Agreement, Terms and Conditions for this program is attached as Exhibit 1.
 - A. The agent must generate at least \$100 in billed monthly sales revenue in the first 180 days to obtain commissions. All commissions will accrue in the first six months until the \$100 threshold is met.
 - B. All agents must add at least one new account each year or forfeit the commissions accrued.
 - C. The entry level commissions for the free agent program are 6 to 11% of the monthly recurring charges. The commissions are determined according to the products sold.
2. Master Agent Program– A copy of the Independent Representative Agreement, Terms and Conditions for this program is attached as Exhibit 2.
 - A. The agent must generate at least \$10,000 in monthly sales revenue in the first 360 days to obtain commissions. All commissions will accrue in the first twelve months until the \$10,000 threshold is met.
 - B. All agents must add at least one new account each year or forfeit the commissions accrued.
 - C. The entry level commissions for the master agent program are 10 to 17% of the monthly recurring charges. The commissions are determined according to the products sold.
3. Compensation System -- A summary of Cognigen's Representative Compensation Plan is attached as Exhibit 3.

EXHIBIT 1

CONTINUING ACKNOWLEDGEMENT -- READ CAREFULLY

THIS WEBSITE (INCLUDING ANY AND ALL REPLICATIONS THEREOF) IS OWNED AND OPERATED BY COGNIGEN NETWORKS, INC. ("COGNIGEN"). USE OF A REPLICATION OF THIS WEBSITE IS OFFERED BY COGNIGEN TO THE "USER", CONDITIONED UPON ACCEPTANCE BY THE USER OF THE TERMS, CONDITIONS AND NOTICES SET FORTH THEREIN. THIS DOCUMENT CREATES A BINDING AGREEMENT BY AND BETWEEN COGNIGEN AND USER AS THE INDEPENDENT REPRESENTATIVE OF COGNIGEN. WHEN USER CLICKS THE "I ACCEPT/AGREE" BUTTON AT THE END OF THIS DOCUMENT, USER ACKNOWLEDGES THAT USER ACCEPTS AND AGREES TO BECOME LEGALLY BOUND BY THE STATED TERMS, CONDITIONS AND NOTICES OF THE AGREEMENT. FURTHER, USER ACKNOWLEDGES THAT USER ACCEPTS AND AGREES TO BE LEGALLY BOUND BY ANY AND ALL AMENDMENTS AND MODIFICATIONS MADE TO THE AGREEMENT, FROM TIME TO TIME AS POSTED ON THE WEBSITE, AFTER USER'S ORIGINAL ACCEPTANCE.

IN THE EVENT THE STATED TERMS, CONDITIONS AND NOTICES OF THIS AGREEMENT ARE NOT ACCEPTABLE TO USER, THEN DO NOT PROCEED.

Fee-free -- NO FEE assessed to become a



COGNIGEN NETWORKS, INC. INDEPENDENT REPRESENTATIVE AGREEMENT TERMS, CONDITIONS AND NOTICES

I. BASIC RECITALS AND DEFINITIONS

1.1. The "Company" shall mean Cognigen Networks, Inc., a direct selling organization marketing telecommunications products and services to the consumer through independent representatives. The stated terms and conditions apply to all of the Company's Independent Representatives. The Company reserves the right to accept or reject any Independent Representative application. There is no application fee and no purchase required of any of the products and services of the Company to become an Independent Representative.

1.2. "I-Representative" shall mean an independent representative who is an individual or entity that: (i) has accepted and agreed to be legally bound by the terms and conditions of the Company's Independent Representative Agreement (the "Agreement") and (ii) has been accepted by the Company as an I-Representative. The I-Representative shall have legal capacity and shall have attained legal age to work and enter into contracts in the state or other authoritative locale in which the I-Representative markets the Company's and Providers' products and services.

1.3. "Acceptance" shall mean that the I-Representative has clicked on the "I Accept/Agree" button at the end of this Agreement, and agrees to be legally bound by all the terms and conditions of the Agreement, as stated herein and as amended or modified from time to time hereinafter. The Company reserves the right to reject the I-Representative's application at any time after the I-Representative has indicated an "Acceptance."

1.4. A "Provider" shall mean a vender of a product or service, that has entered into an agreement with the Company to offer the vendor's products or services through the Company's marketing to the general public by I-Representatives.

1.5. "FEE-FREE Website" shall mean a Company owned and activated "Id.net" website for the free use (subject to this Agreement) by the I-Representative during the term of this Agreement. To maintain a Fee-FREE Website, the I-Representative must comply with all of the terms and conditions of this Agreement, and in particular the Website Use terms in Section III. "Website" shall mean a URL web address on the Internet. "Public Website" shall mean that portion of the Website that is available for access by general public. "I-Representative Website" shall mean the portion of the Website that is restricted to and for internal use only by the respective I-Representative.

1.6. "Information Entry Page" is the Web page that will be downloaded to I-Representative's computer after I-Representative's acceptance of this Agreement. The I-Representative will be prompted to enter certain

information on the Information Entry Page: I-Representative's (i) first and last names; (ii) mailing address; (iii) telephone number; (iv) Social Security Number; and (v) desired Password and User Name. The I-Representative may be asked additional, voluntary information that will be used for the purposes of determining the I-Representative profile. The I-Representative also agrees that data submitted on the Information Entry Page(s) must be kept current by the I-Representative to maintain communication integrity. All of the data supplied and entered on the Information Entry Page by the I-Representative shall be truthful, factually accurate information. Misrepresentations or fraudulent statements supplied in connection with this Agreement shall cause immediate termination, forfeiture of present or future compensation allegedly due for products or services marketed, and grants the Company the right to demand restitution for commissions paid.

1.7. "User Name" is the Company identification ("Cogid") of the I-Representative Website that allows and limits access thereto by the I-Representative through a designated Password selected by the I-Representative.

1.8. "Proprietary Marks" shall mean the mark "Cognigen," plus, any and all of the Company names, trade names, trademarks, service marks and logos that presently exist and may be created, designed or otherwise originated from time to time for use in connection with the Company's marketing of products and services. Further the term, Proprietary Marks, shall include the name, trade names, trademarks, service marks and logos of any and all Providers with which the Company has or shall contract to market such Providers' products and services. All Proprietary Marks remain the intellectual property of the Company. This Section shall survive termination under this Agreement.

1.9. "Proprietary Information" shall mean all confidential and proprietary information of the Company, including but not limited to lists or other identification of I-Representatives; pertinent facts or information about I-Representatives, accumulated and stored by the Company; I-Representative User Names, Cogids, Website URL names and addresses, "dba" names, email addresses and phone numbers; the Company Compensation Plan with its organizational structure and its vertical and horizontal levels of compensation, as it presently exists or may be modified from time to time; the Company's accumulated information about, contacts and contractual agreements with Providers. All Proprietary Information must be kept confidential and must not be disclosed by the I-Representative to third parties. All Proprietary Information remains the intellectual property of the Company. This Section shall survive termination under this Agreement.

1.10. "Licensed Materials" shall mean any and all information and materials, whether copyrighted or produced and published without copyright, the Company offers to its I-Representatives for training, review and use in the administration of marketing the products and services of and offered by the Company. The Licensed Materials include but is not limited to all information and materials on the Company's Fee-FREE Website system and related links to other Company data utilized by the I-Representative.

1.11. Products and Pricing. The Company reserved the right to change products and services or, from time to time without prior notice, modify pricing of products and services that are offered by the Company. Any such changes or modifications shall become effective immediately upon the Company's posting on the I-Representatives' Website unless another effective date is specified.

1.12. Reaffirmation of Acceptance. The Company reserved the right to amend and modify the terms and conditions of this Agreement, from time to time without prior notice. Any such amendments or modifications shall become effective immediately upon the Company's posting on the I-Representatives' Website unless another effective date is specified. Each I-Representative reaffirms the Acceptance of this Agreement with the Company, as modified, upon each and every occasion that the I-Representative uses the Fee-Free Website and specifically when accepting, endorsing or negotiating the monthly compensation payments issued and delivered by the Company to the I-Representative.

II. APPOINTMENT AND TERM

2.1. Appointment. The Company appoints I-Representative as a non-exclusive independent sales representative of the Company for the term of this Agreement and I-Representative accepts appointment. The I-Representative is an independent contractor (individual or entity) that is compensated for marketing products and services for the Company. The I-Representative is not a franchisee or a distributor of the Company. I-Representative shall be responsible for all expenses incurred which in any way arise out of the marketing of products and service of the Company under this Agreement or otherwise. I-Representative determines the time, method and manner of marketing the products and services offered by Company, provided that there is compliance with all the terms and conditions of this Agreement and any other policies and procedures established, from time to time, and announced by the Company.

2.2. Term. The term of this Agreement ("Term") shall commence on the date the Company accept the Independent Representative application and shall continue until this Agreement is terminated pursuant to the provisions contained herein. Certain identified Sections herein shall survive termination under this

Agreement.

2.3. **Commissions and Bonuses.** The Commission Plan is premised upon the Company receiving certain agreed amounts and payment thereof from existing or additional Providers. From time to time, to become or remain competitive in the changing telecommunication market conditions, it may be necessary for the Company to modify the terms and conditions of agreements with the Company's Providers. Modification of such Provider agreements may necessitate scaling of the proportional distribution by the Company of the revenue received from said Providers. The Company shall provide Notice to the I-Representative of any such modification that may affect the I-Representative's compensation. The Company does not owe the I-Representative any compensation on products and services marketed by the I-Representative until such time, if ever, that the Company collects the respective payment from the respective Provider. Commissions and bonuses are paid to the I-Representative according to the Company Compensation Plan, a copy of which is linked to each and every Fee-FREE Website and incorporated herein by reference. Such compensation is paid once per month to the eligible I-Representative. The Company pays the I-Representative's compensation within approximately a thirty-day period after receipt of payment from the Provider; therefore, there is approximately a sixty-day lag-time between the date the I-Representative makes a sale of a product or service and the date of payment of the I-Representative's compensation. Payments made to the I-Representative are subject to charge-backs assessed on Company pursuant to the terms and conditions of agreements with the Company's Providers. The Company shall provide Notice to the I-Representative of any such vendor charge-backs that may affect the I-Representative's compensation.

2.4. **Compensation Eligibility.** Maintenance of existing customer accounts and acquisition of new customer accounts are of primary importance to the Company. Compensation eligibility of the I-Representative to receive commissions and bonuses is conditioned upon compliance with the Company policies, plus performance of the I-Representative to: (i) sell at least one Company product or service within the first 60 days of becoming a I-Representative and to sell not less than one Company product or service for each twelve months; (ii) maintain the monthly minimum volume requirements, by the sixth month (after being accepted as an I-Representative by the Company) and each month thereafter, for the respective levels (IR, QR, AR, RR, NR and PPR) to receive or accrue commissions on customer accounts; and (iii) maintain supervisory responsibility requirements of sponsored I-Representatives as outlined herein by the Company. To accrue and receive override compensation on customer accounts sold by the I-Representative's downline pursuant to the various levels of the Company's Compensation Plan, the I-Representative shall have complied with all of the conditions stated in (i), (ii) and (iii), above, in this paragraph. The Company may revoke the I-Representative's eligibility for compensation in the event the I-Representative fails or neglects to comply with the terms and conditions of this Agreement.

2.5. **Independent Contractor.** This Agreement does not create an employer-employee relationship between the Company and the I-Representative. It is the parties' intention that the I-Representative will be an independent contractor and not the Company's employee for any purpose. Company and I-Representative agree that I-Representative's business is a separate and independent enterprise from that of the Company. The I-Representative will retain discretionary judgment in the manner and means of carrying out the activities hereunder of the I-Representative, provided the same are not contrary to the terms and conditions of this Agreement. The I-Representative does not have express, implied or apparent authority to enter into any contract on behalf of Company or otherwise to bind the Company to any agreement unless expressly authorized, in writing, by an officer of the Company. The Company will not be liable for any obligation incurred by the I-Representative, except as otherwise provided herein. I-Representative shall indemnify and hold harmless the Company from any claims, damages or liabilities arising out of the business practices of I-Representative.

III. BASIC REQUIREMENTS AND DUTIES

3.1. **Identification Number.** The I-Representative shall provide the Company with a valid identification number ("ID#"). In the event the I-Representative is transacting business as an individual or in any other personal format then that ID# shall be the I-Representative's Social Security Number (SS#). In the event the I-Representative is a corporation, limited liability company, or partnership, the ID# shall be the Federal Employee Identification Number ("F.E.I.N."). In the event the purported entity does not provide a F.E.I.N., then the Company shall interpret the "entity" as an individual or group of individuals and require the appropriate SS#. In the event the I-Representative is located outside of the USA, then the appropriate governmental or other authoritative agency ID# or United States passport number shall be submitted to the Company. The I-Representative authorizes the Company to verify the ID# submitted. The ID# shall be used by the Company for tax reporting and other lawful purposes. The Company shall not pay and the I-Representative shall not be entitled to payment of any commissions or bonuses on products and services marketed prior to the receipt of the I-Representative's ID# (SS# or F.E.I.N.).

3.2. **Website.** The I-Representative shall be permitted to have no more than one Fee-FREE Website from which there is Compensation Plan payment to the I-Representative. The Company may permit use of more than one Fee-FREE Website for the I-Representative upon request and valid premises, provided that such additional Website(s) shall be attributed only to the subject I-Representative and shall be linked into that I-Representative's one primary Fee-FREE Website. All products and services marketed by the I-Representative

shall accumulate as and through the one primary Fee-FREE Website with regard administration and advancement pursuant to the various levels of the Company's Compensation Plan.

3.3. Compliance with Laws and Regulations. The I-Representative shall comply with all federal, state and local taxes and regulations governing the sale of company products and services. I-Representative shall be responsible for payment of income tax, self-employment tax and other tax of any nature, if any, due and owing to any federal, state, county, municipal, country, province, territory or any other governmental taxing authority for the I-Representative and employee-representatives, if any. Such taxes are the responsibility of the I-Representative, who shall indemnify and hold harmless the Company for payment of any such taxes.

3.4. Change of Status. Each and every I-Representatives is required to report to the Company any change in status that may affect I-Representative's rights to receive any commission or other compensation from the Company. Such change in status may include, a change of marital status or a change from individual to corporation, limited liability corporation or partnership. This Agreement shall not be assigned or transferred without prior written approval of Company.

3.5. Change of Entity. In the event the I-Representative desires to change of business names or form entity to a corporation, Limited Liability Corporation, partnerships or trusts for tax, estate planning, and limited liability purposes, the I-Representative must submit the proposal for the Company for approval of the proposed change. The Company reserves the right, at its own discretion, to approve or disapprove the proposed change or restructure. In the event Company approves the proposed change or restructure, the new organization's name and the names of the principals involved therein must be submitted to Company, including new or additional ID#.

3.6. Death or Disability. In the event of death or incapacitating disability of an individual I- Representative, the personal representative, executor, trustee or court appointed advocate for the estate of the I-Representative's shall notify the Company to request an assignment of change of status. I-Representative and the subject estate shall indemnify and hold harmless the Company for any and all claims related to the payment of commissions, or lack thereof, to the I-Representative or the estate.

3.7. Goodwill. The I-Representative shall at all times safeguard the Company's reputation and promote the good will of the Company and the products or services marketed by the Company. I-Representatives shall refrain from any and all conduct that may be harmful to the reputation of the Company or the Providers of the products and services offered by Company. The I- Representative shall refrain from and avoid all deceptive, misleading, unethical or discourteous conduct or practice.

3.8. Unauthorized Products and Services. I-Representative shall not use the Fee-FREE Website to promote, market or sell products or services that, directly or indirectly, are not specifically authorized in advance by the Company. The terms, "directly or indirectly," include, but are not limited to, prohibiting identification of such other products or services on the Fee- FREE Website wherein a symbol thereof is identified to provide linking to another website or multiple websites that promote, market or sell products and services, notwithstanding the fact that such products and services may not be competitive with the Company's products and services. The Company reserves the right to immediately deactivate and terminate the use of the Fee-FREE Website by the I-Representative when, in its opinion and sole discretion, the Company determines that the I-Representative has violated the permitted use of the Fee-FREE Website as stated herein.

3.9. Use of Licensed Materials. The Company's Licensed Materials, including filmed, videotaped, audio-taped recorded or printed, shall not be duplicated, produced, reproduced, marketed or distributed in whole or in part and shall not replicated in deceptively similar in form or style, directly or indirectly, by the Representative or any third person, except as authorized by prior written approval by an officer of the Company. The I-Representative's use of Licensed Materials is limited to the time-term and the explicit purpose that the I-Representative actively markets the products and services offered by the Company. The use of the Licensed Materials terminates concurrently with the termination of the I-Representative. All Licensed Materials remain the intellectual property of the Company. This Section shall survive termination under this Agreement.

IV. WEBSITE USE

4.1. Duties of Company, pursuant to this Agreement, shall be to provide I-Representative with access to the designated Fee-FREE Website.

4.1.1. Website Privacy. The Company shall not disclose to third parties any personal information that the I-Representatives submits to Company through the Information Entry Page. Such data shall be used for the sole purposes of the Company for the administration of the account of, notices to, periodic contact with the I-Representative or any other purpose the Company deems necessary.

4.1.2. Unauthorized Access of Website. I-Representative must protect the I-Representative's Password. The I-Representative is solely responsible for use of I-Representative's Website by any third party using the access information provided by the I-Representative. In the event that I-Representative determines that another party has improperly or wrongfully gained or should no longer maintain access to I-Representative's User Name or Cogid and Password, then upon written notice to the Company, I-Representative may request the Company to delete the old information and issue a new User Name, Cogid and Password to I-Representative.

4.1.3. Availability of Representative Website. Company shall notify I-Representative by posting or e-mail of scheduled upgrade or maintenance work on the I-Representative Website. In the event it is possible to determine the length of time the Website will be unavailable, then the Company shall notify the I-Representative in advance of that information. The Company does not warrant that the I-Representative Website will be available to I-Representative on a continual twenty-four hour basis.

4.1.4. Website Monitoring. THE COMPANY DOES NOT PLAN TO ACT AS A "CENSOR" OR "MONITOR" THE WEBSITE. THE COMPANY DISCLAIMS ALL RESPONSIBILITY FOR ANY MATERIAL DISCUSSED OR POSTED ON THE WEBSITE BY THE I-REPRESENTATIVE. HOWEVER, UPON NOTICE OF A PURPORTED VIOLATION OR IRREGULARITY OF THE WEBSITE, THE COMPANY SHALL INVESTIGATE ANY AND ALL SUCH ALLEGATIONS OF A VIOLATION OF TERMS AND CONDITIONS OF THIS AGREEMENT.

4.1.5. Website Deactivation. The Company reserves the right to remove any statement, sound byte, graphic image or other item, the presence of which violate the terms and condition of this Agreement, now in existence or as modified from time to time. The Company reserves the right, in the alternative, to immediately deactivate and terminate the use of the subject Website by the I-Representative without prior notice, in the event the I-Representative violate any of the terms and condition of this Agreement, now in existence or as modified from time to time.

4.2. Duties of I-Representative, pursuant to this Agreement, shall be to provide I-Representative with access to the designated Fee-FREE Website.

4.2.1. Restrictions of Use. I-Representative shall be obligated to continuously check the Website for any changes in such rules or regulations. Without limiting the generality of the foregoing, I-Representative agrees to not post, directly or indirectly on or by links to any other websites, any of the following material or information to the Website: (i) intellectual property copyrighted or trademarked by others; (ii) abusive, defamatory or inflammatory statements; (iii) statements which contain vulgar, obscene or indecent statements or graphical images; (iv) statements which threaten the person of others; (v) advertising or other forms of solicitation; (vi) statements which are bigoted, hateful, racially offensive or endorse or advocate illegal or immoral activity; (vii) statements of or about political issues or political campaign materials; and (viii) any materials not specifically approved by prior written consent of an officer of the Company.

4.2.2. Availability of I-Representative Website. I-Representative recognizes that the traffic of data through the Internet may cause delays during the download of information from the I-Representative Website. I-Representative shall not hold the Company liable for any delays that are ordinary in the course of Internet use. I-Representative acknowledges that the I-Representative Website may not be available on a continual twenty-four hour basis as a direct or indirect result of Internet delays and delays caused by the Company's upgrading, modification, or standard maintenance by the Company.

4.3. Limitation of Liability: THE WEBSITE SERVICES PROVIDED BY THE COMPANY ARE PROVIDED AS IS, WITHOUT WARRANTY OF ANY KIND TO I-REPRESENTATIVE OR ANY THIRD PARTY, INCLUDING, BUT NOT LIMITED TO, EXPRESS OR IMPLIED WARRANTIES OF: (i) MERCHANTABILITY; (ii) FITNESS FOR A PARTICULAR PURPOSE; (iii) EFFORT TO ACHIEVE PURPOSE; (iv) QUALITY; (v) ACCURACY; (vi) NON-INFRINGEMENT; (vii) QUIET ENJOYMENT; AND (viii) TITLE. I-REPRESENTATIVE AGREES THAT ANY EFFORTS BY THE COMPANY TO MODIFY ITS PRODUCTS OR SERVICES SHALL NOT BE DEEMED A WAIVER OF THESE LIMITATIONS, AND THAT ANY COMPANY WARRANTIES SHALL NOT BE DEEMED TO HAVE FAILED OF THEIR ESSENTIAL PURPOSE. I-REPRESENTATIVE FURTHER AGREES THAT THE COMPANY SHALL NOT BE LIABLE TO THE I-REPRESENTATIVE OR ANY THIRD PARTY FOR ANY DIRECT, INDIRECT, SPECIAL OR OTHER CONSEQUENTIAL DAMAGES FOR ANY USE OF THE WEBSITE OR ANY OTHER HYPER-LINKED WEBSITE, INCLUDING, WITHOUT LIMITATION, ANY LOSS OF PROFITS, LOSS OF USE, INTERRUPTION OF BUSINESS, WHETHER UNDER THE TERMS AND CONDITIONS OF THIS AGREEMENT OR OTHERWISE, EVEN IN THE EVENT THE COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR WAS GROSSLY NEGLIGENT. SOME JURISDICTIONS DO NOT PERMIT THE EXCLUSION OR LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES, AND, AS SUCH, SOME PORTION OF THE ABOVE LIMITATION MAY NOT APPLY TO I-REPRESENTATIVE. IN SUCH JURISDICTIONS, COMPANY'S LIABILITY IS LIMITED TO THE GREATEST EXTENT PERMITTED BY LAW.

V. BUSINESS PRACTICES

5.1. **Slamming and Spamming.** The I-Representative shall not engage in or facilitate any form of slamming or spamming in any way with any customers or potential customer of the Company or any of the Company Providers. Basically, Slamming occurs when one party surreptitiously and fraudulently switches or causes the transfer of another party's long distance or local telephone service from one carrier to another without customer-user's knowledge or consent. The I-Representative shall not submit any order to switch long distance or local telephone service unless the transfer has been fully and knowingly authorized and verified by the customer-user in accordance with the Company and Provider's operating principles, procedure, and guidelines. Instances of forgeries or willful violations of applicable laws, rules and regulations shall result in the immediate termination and a permanent ban of I-Representative from any representation of the Company. Spamming, occurs when a party uses any unauthorized or unsolicited communication or transmission of information or material by phone, facsimile, email or other telecommunication equipment to another individual or entity not having a prior business or personal relationship with that sender. Specifically, unsolicited advertisements sent by telephone or facsimile are restricted by federal law. Legal action may be filed to recover actual monetary loss from such violation, with damages for each such violation, whichever is greater. This Section shall survive the termination of this Agreement.

5.2. **Slamming or Spamming NO Tolerance Policy.** It is acknowledged by the I-Representative that the Company prohibits and shall not tolerate any occurrence of Slamming or Spamming. Upon each and every occasion that the I-Representative endorses or negotiates the monthly compensation checks issued and delivered to the I-Representative by the Company, each I-Representative reaffirms that the I-Representative shall not engage in or facilitate any form of slamming or spamming in any way with any customers or potential customer of the Company or any of the Company Providers. The Company will take all action necessary to protect the Company customers against Slamming or Spamming, including, but without limitation, termination of the I-Representative. The Company prohibits the I-Representative from using any of the Company's Proprietary Information, Proprietary Materials and Licensed Materials on or through any automatic calling devices, "broiler room" operations or any other form or unsolicited advertising to generate prospective customers or for sponsoring new I-Representatives.

5.3. **Violation of Laws and Regulations.** I-Representative acknowledges that certain local, state and federal laws and regulations apply to I-Representative as an independent contractor and as an individual. I-Representative agrees to comply with all applicable local, state and federal laws. Further, I-Representative agrees to defend, indemnify, and hold harmless the Company, including the Company's affiliates, subsidiaries, agents, directors, officers and employees, against all claims, damages, losses, causes of action, liabilities and expenses of any kind or nature, including but not limited to reasonable attorney fees, which arise out of or relate to the failure of I-Representative to comply with such applicable local, state and federal laws and regulations in the performance of I-Representative's obligations under this Agreement. This Section shall survive termination under this Agreement.

5.4. **FTC Rule.** Federal Trade Commission ("FTC") Three-Day "Cooling Off" Rule requires specific statutory language and notice of the right of cancellation on the retail sales receipt. Notwithstanding the Company's retail customer guaranty policy, all retail sales must comply with the FTC Rule.

5.5. **Endorsements by federal, state or local governmental or regulatory agencies** are rarely offered or made concerning program or materials marketed or promoted in the private sector. The Company has not requested and does not intend to request any such governmental or regulatory endorsement of the Company's Proprietary Materials or Licensed Materials. Therefore, the I-Representatives shall not represent that such endorsements exist.

5.6. **Non-Circumvention.** During the term of this Agreement and for a period of one year after the I-Representative's resignation, termination or departure from the Company, I-Representative shall not circumvent or attempt to circumvent the Company by negotiating with or entering into any agreement or agreements, competitive or otherwise, directly or indirectly, with any of the Providers of the Company. Further, I-Representative shall not attempt to solicit, induce or cause transfer of any customer or other I-Representatives of the Company to another provider competitive to the Company. The I-Representative acknowledges that such acts are tortious interference with a contract by and between the Company and its customers or other I-Representative. This Section shall survive termination under this Agreement.

5.7. **I-Representation business cards, stationary and any printed material,** proposing to use the Company name or any Proprietary Marks, must be submitted by the I-Representative to the Company for review and approval by written consent of an officer of the Company prior to printing and distribution. Such printed materials may be purchased through the Company.

5.8. **I-Representation Business Phones.** The I-Representative's business-telephone(s) may not use, listed under or make reference to the Company name.

5.9. **Provider Return Policies.** All Provider products and services purchased through the Company from a Provider are subject to the respective Provider's return policies. The Company is not responsible for a Provider's return policies and the Company shall not accept such returns.

5.10. Press Inquiries. Any inquiries by the news media must be referred immediately to the Company to ensure presentation of factual information, plus an accurate and consistent public image.

VI. MARKETING MATERIALS

6.1. Representations Regarding the Company or Products. I-Representative agrees not to make any oral or written statements regarding the Company, its products, its services, the products and services of its Providers and the Company marketing program, that are not expressly contained in the materials supplied by the Company directly to the I-Representative. The I-Representative agrees to indemnify and hold harmless the Company from any and all liability including judgments, civil penalties, refund, attorney fees, court cost or lost business incurred by the Company as a result of I-Representative's unauthorized representations. This Section shall survive termination under this Agreement.

6.2. Reporting. The Company will provide, as and when available, computer reports to the I-Representatives. The reports may include information regarding I-Representative's sales organization, product purchases and product mix. The I-Representative acknowledges that such reports are the Company's Proprietary Information. The use of such reports is provided by the Company for use the I-Representative, solely, during the term of this Agreement and not afterwards. The I-Representative shall not, directly or indirectly, disclose the Proprietary Information to any third party. The I-Representative and the Company agree that, but for this agreement of confidentiality and nondisclosure, the Company would not provide the Proprietary Information to the I-Representative. This Section shall survive termination under this Agreement.

6.3. Proprietary Marks. The Proprietary Marks of the Company and Providers have significant value and the I-Representative may use the Proprietary Marks only as authorized and pursuant to this Agreement. The I-Representative shall use the Proprietary Marks only in the form and format provided by the Company. The I-Representative shall obtain prior written permission from an officer of the Company for any other use the Proprietary Marks. Such prohibited use includes, but not limited, to advertising or promotional materials individually procured by the I-Representative for marketing of the products and services of the Company or its Providers. The I-Representative shall not use any written, printed, recorded material, or any other material in advertising, promoting or describing the products and services of the Company's marketing and sponsoring program, unless such materials have been submitted to the Company for approval and such approval is granted, in writing, by an officer of the Company prior to dissemination, publication, displayed or use by the I-Representative.

6.4. Licensed Materials. The Licensed Materials of the Company and Providers have significant value and the I-Representative shall not advertise the Licensed Materials of the Company and Providers, except when and as authorized by prior written consent by an officer of the Company. Any display, institutional, trademark, television, radio, Internet, direct mail or newspaper advertising copy, other than that originated, produced and disseminated by the Company, must be submitted by the I-Representative to the Company for analysis, review and approved by written consent of an officer of the Company prior to dissemination, use or publication, privately or publicly.

6.5. Sales Materials. All I-Representatives are encouraged to purchase sales aid materials only for the use of display and as required in the operation of the I-Representative's business. Maintaining an inventory supply may not be necessary and is not required by the Company. 6.6. The Company has originated and produced certain Licensed Materials for I-Representative sales aids. In the event such sales aids were purchased from the Company by the I-Representative and are unencumbered, in salable condition, in possession of the I-Representative and which had been purchased within one year of the I-Representative's voluntary termination, then such sales aids may be, at the Company's sole option, repurchased by the Company. The repurchase may be at a price of not more than eighty percent of the original net cost to the I-Representative. As a condition for such a refund, the sales aids must be returned, postage prepaid, to the Company in their original sales aid packaging, in near- original condition, ready to be re-stocked and resold.

VII. SPONSORSHIP

7.1. Sponsoring I-Representative. Each I-Representatives has the opportunity to become a "Sponsor" I-Representative. The initial process begins when the sponsor facilitates other individuals or entities to make application with the Company to become an I-Representative. Potential new I-Representatives may be discovered through aggressive personal contact of the sponsoring I-Representative, by passive or direct contact through the I-Representative's Public Website or as a result of the I-Representative's fee-paid-subscription to a Founders Club membership. The I-Representative must provide the prospective I-Representative with information to identify how and where the prospect would login to review the opportunity and make application with the Company for marketing of the products and services offered by the Company. To assure that the I-Representative is credited with a new sponsorship, the Sponsor I-Representative shall have the prospective login through the Sponsor I-Representative's Public Website.

Failure to instruct the prospect on login procedure may invalidate I-Representative's sponsorship.

7.2. Duties of the Sponsoring I-Representative. The second and continuing phase of a Sponsor I-Representative is to fulfill the obligation of assisting, training and performing bona fide supervisory functions in developing the new sponsored I-Representative into a proficient marketer of the products and services offered by the Company to the ultimate consumer. The Sponsor I-Representative must have continuing and ongoing contact, communication with and management of each sponsored I-Representative in the organization of the Sponsor I-Representative. Such supervision may include, but is not limited to: e-mail, newsletters, written correspondence, personal meetings, telephone contact, voicemail, training sessions, and sharing genealogy information with all of those sponsored I-Representatives. When requested by the Company, Sponsor I-Representative shall provide evidence to the Company on the ongoing fulfillment of the Sponsor I-Representative's responsibilities. In the event the Sponsor I-Representative fails to give evidence of supervisory actions to the non-productive sponsored I-Representatives, then the Sponsor I-Representative shall be given a thirty-day (30) period to show evidence of the corrective action to assist the non-productive sponsored I-Representative improve their respective skills and work habits. In the event the Sponsor I-Representative fails or neglects to assume and perform the necessary supervision and management within the thirty-day (30) period, Company shall confer with the Sponsor I-Representative to determine, in the alternative at the Company's sole discretion, whether to (i) remove each of the non-productive sponsored I-Representative from the Sponsor I-Representative's management, or (ii) withhold the Sponsor I-Representative's next payment due of all bonuses and override commissions for the next thirty-day (30) period, thus giving a "second chance" for the Sponsor I-Representative to activate and refine the supervisory and management skills. If after further review by the Company, the corrective action remains deficient, the Company shall withhold the Sponsor I-Representative's next payment due of all bonuses and override commissions for a six-months period. If after this six-month final review, the Sponsor I-Representative has not produce evidence of a supervisory and management abilities or has indicated unethical sponsoring practices, the Company may (i) relieve the Sponsor I-Representative of all sponsored I-Representatives and retain the bonuses and override commission previously withheld, or (ii) terminate the Sponsor I-Representative. The I-Representatives who sponsor widely, but do not supervise and manage the new I-Representatives to develop business acumen, meet with limited success. It is the sole responsibility of Sponsors I-Representative to assist, train and perform bona fide supervisory and management functions to develop the newly sponsored I-Representative into a proficient marketer of the Company products and services offered.

7.3. Reassignment of Non-Productive I-Representatives. In the event the downline of the Sponsor I-Representative is removed, in full or in part, at the sole discretion of the Company, the subject sponsored I-Representatives shall be: (i) reassigned to another Sponsor I-Representative; or (ii) placed in the repository of un-sponsored I-Representatives in the Founders Club to be assigned to fee-paid-subscribers, according to the established procedure of distribution the Founders Club.

7.4. Income Claims. I-Representatives shall not represent hypothetical income figures as actual income projections, based upon the alleged inherent power of network marketing. The Company holds the position that such statements are false and misleading. Such representations about hypothetical income projections are considered misrepresentations and thereby prohibited in any sponsorship or recruiting presentation.

7.5. Sponsor Conflicts. In the event two Sponsor I-Representatives claim to be the sponsors of the same new sponsored I-Representative, the sponsored individual or entity may elect to select which I-Representative shall be the sponsor. Unless otherwise designated by the sponsored individual, the Company shall regard the first application received by the corporate office as being the binding choice of the sponsored I-Representative. It is the responsibility of the Sponsor I-Representative to ensure that the prospective I-Representative has made contact and application to the Company through the I-Representative's Public Website.

7.6. Transfer of Sponsorship is rarely permitted and is actively discouraged. The Company believes that maintaining the integrity of sponsorship is mandatory for the success of the system. In the event an I-Representative elects to pursue such a transfer, a written request shall be presented to the Company stating the relative facts and the premises for the transfer. VIII. TERMINATION

8.1. The I-Representative may terminate the relationship with the Company at any time and for any reason, simply by written or email notification delivered to the Company. In the event the I-Representative elects to terminate this Agreement and the relationship with the Company, all rights to receipt of compensation, including but not limited to all commissions, override commission, bonuses, stipends or discounts on products and services theretofore purchased by the I-Representative, shall terminate immediately.

8.2. The Company reserves the right to terminate the relationship with the I-Representative at any time in the event that in the Company's sole opinion that the Company determines that the I-Representative has violated: (i) any of the terms and conditions of this Agreement, as it presently exists or as it may be amended or modified from time to time; (ii) any provision of applicable laws, rules or regulations; (iii) any standards of fair and honest dealing, including but not limited to the I-Representative dealing in any secret arrangement, deceitful tactic, collusion or apparent conspiracy with any third-party to circumvent any existing prohibitive provision or non-compete agreement by and between that third-party and a respective contracting-party to which the third-party has an apparent binding obligation; (iv) any Company policy or

procedure; or (v) the I-Representative's neglect or failure to maintain and provide the Company with a current email address, mailing address, phone number(s) or other pertinent data deemed necessary at the sole discretion of the Company. The act of termination of an I-Representative carries with it the corresponding termination of any and all current or future compensation that may be attributed to products and services marketed on behalf of the Company by the subject I-Representative or the downline I-Representatives thereof, while acting in the I-Representative capacity.

8.3. In the event of such termination of the I-Representative, the sole obligation of the Company shall be to notify the I-Representative at the last known e-mail address provided by the I-Representative to the Company. The termination shall be effective immediately, unless otherwise stated in the notice.

8.4. The I-Representative shall have a fifteen-day (15) period from the date of transmission of the email notification in which to appeal the termination in writing. In the event the Company does not receive the I-Representative's written appeal within the fifteen-day period, then the termination shall be final and effective as of the date of the notification of termination.

8.5. In the event the I-Representative files a written appeal, timely, the Company shall (i) review the factual basis of the written appeal; (ii) consider the premises of the termination; (iii) consider any alternative action that may be appropriate; and (iv) notify the I-Representative of the Company's final decision.

8.6. The Company's decision shall be final and subject to no further review. In the event the Company upholds the termination, the effective date shall be the date of original notice of termination emailed by the Company.

IX. MISCELLANEOUS

9.1. Waiver. No course of dealing between the Company and the I-Representative shall modify, amend, waive or terminate any of the terms and conditions herein or any obligations of the I-Representative under or by reason of this Agreement, without prior written consent of an officer of the Company.

9.2. Dispute Resolution. This Agreement is governed under the laws of the State of Colorado. During and after the term or any extension of the term of this Agreement, any dispute, controversy or claim arising out of or relating to this Agreement, or the breach thereof between the Company and I-Representative or I-Representatives ("Arbitral Claims") shall be settled by binding arbitration in Denver, CO, USA, according to the Federal Arbitration Act, 9 U.S.C. § 1, et seq., inasmuch as this Agreement concerns transactions involving Interstate commerce and the corporation laws of the State of Colorado. Arbitral Claims shall include, but are not limited to, contract (express or implied) and tort claims of all kinds, as well as all claims based on any federal, state, or local law, statute, or regulation. The parties hereby waive any rights they may have to trial by jury in regard to arbitral claims. This clause shall not be construed to limit Company from bringing any action for injunctive or other provisional relief as Company deems necessary or appropriate to compel I-Representative to comply with its obligations hereunder or to protect Company's intellectual property rights in any court of competent jurisdiction in the State of Colorado and agree that in the event Company elects to bring an action for injunctive or other provisional relief in a court of competent jurisdiction, such court(s) shall have exclusive jurisdiction over any such action. Notwithstanding the foregoing and in its sole discretion, Company may seek and obtain such injunctive or other provisional remedies to prevent an anticipatory, threatened or continued breach of this Agreement, through the arbitration procedure stated herein. Each of the parties hereby submits to the jurisdiction of the state and federal courts in Denver, Colorado, for these purposes. Pending the final disposition of a dispute other than a dispute arising out of the termination of this Agreement by Company, the parties shall, at all times, proceed diligently with the performance of this Agreement.

The arbitrator(s) shall be selected as follows: The parties shall jointly select one impartial arbitrator in the event the dispute is less than \$50,000. In the event the parties cannot agree on one arbitrator within ten (10) days, or the dispute is \$50,000 or greater, then each party shall select an impartial arbitrator within the following twenty (20) days, and those two selected arbitrators shall select the third arbitrator who will comprise a three-person panel for arbitration. All arbitration matters shall be held and decided in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), but without the administration, cost or supervision of AAA. In any arbitration, the burden of proof shall be allocated as provided in applicable law, and the arbitrator(s) shall have the authority to award or grant legal, equitable, and declaratory relief only to the same extent as if the case were brought in a civil court.

The arbitrator(s), in addition to declaratory relief, preliminary and permanent injunctive relief and compensatory damages, shall award to the prevailing party reasonable fees and costs of attorneys. Confirmation and enforcement of the decision and award rendered by the arbitrator or panel of arbitrators shall be binding and may be entered in any court having jurisdiction thereof for confirmation and enforcement of the arbitration decision and award.

9.3. Severability. If all or part of any term or condition of this Agreement, or the application of any term or condition of this Agreement, is determined by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of the terms and conditions of this Agreement (other than those portions determined to be invalid or unenforceable) shall not be affected, and the remaining terms and conditions (or portions of terms or conditions) shall be valid and enforceable to the fullest extent permitted by law. If a judicial determination prevents the accomplishment of the purpose of this Agreement, the invalid term or condition (or portions of terms or conditions) shall be restated to conform with applicable law and to reflect as nearly as possible the original intention of the parties.

9.4. Waiver or Forbearance. Any delay or failure of either party to insist upon strict performance of any obligation under this Agreement or to exercise any right or remedy provided under this Agreement shall not be a waiver of that party's right to demand strict compliance, irrespective of the number or duration of any delay(s) or failure(s). No term or condition imposed on either party under this Agreement shall be waived and no breach by either party shall be excused unless that waiver or excuse of a breach has been put in writing and signed by both parties. No waiver in any instance of any right or remedy shall constitute waiver of any other right or remedy under this Agreement. No consent to or forbearance of any breach or substandard performance of any obligation under this Agreement shall constitute consent to modification or reduction of the other obligations or forbearance of any other breach.

9.4. Headings. The headings used in this Agreement are merely for reference. The headings have no independent legal meaning and impose no obligations or conditions on the parties.

9.5. Choice of Law. This Agreement shall be interpreted and governed by the laws of the State of Colorado.

8.6. Indemnification. In the event the I-Representative violates the terms and conditions contained herein, I-Representative agrees to indemnify and hold harmless the Company for any losses, costs, or damages, including reasonable attorneys fees incurred by the Company and relating to, or arising out of such a breach. The I-Representative, not the Company, is solely responsible for I-Representative's behavior and the acts or behavior of any third part accessing I-Representative Website. The Company shall not undertake to resolve any disputes or litigation on Representative's behalf involving use of the services described herein, and I-Representative agrees that it shall indemnify, hold harmless and defend Company against any disputes involving use of the Website.

9.6. Entire Agreement. This I-Representative Terms and Conditions Agreement, as stated herein and as amended or modified from time to time hereinafter, supersede any and all other agreements, either oral or in writing, between the Company and the I-Representative with respect to the matters stated herein. This Agreement, including any and all other documents incorporated herein by reference, contains all of the covenants and agreements between the parties with respect thereto. The terms and conditions of this Agreement may be amended or modified by the Company at any time. Any such amendments or modifications shall become effective immediately upon the Company's posting on the I-Representatives' Website unless another effective date is specified. Each and every I-Representative reaffirms the Acceptance of this Agreement with the Company upon each and every occasion that the I-Representative exercises use of the Fee-Free Website and, specifically, when the I-Representative endorses or negotiates the monthly compensation checks issued and delivered by the Company to the I-Representative.

I HAVE READ AND UNDER STAND THE TERMS CONDITIONS AND NOTICES OF THIS AGREEMENT. IN THE EVENT I DO NOT CLICK THE "I ACCEPT/AGREE" BUTTON, MY APPLICATION SHALL BE NULL, VOID AND OF NO EFFECT AND I WILL HAVE NO RIGHTS UNDER THE TERMS CONDITIONS AND NOTICES OF THIS AGREEMENT. I ACKNOWLEDGE THAT I KNOWINGLY ACCEPT AND AGREE TO BECOME LEGALLY BOUND BY THE TERMS AND CONDITIONS STATED HEREINABOVE. FURTHER, I ACKNOWLEDGE MY ACCEPTANCE BY PHYSICALLY CLICKING THE "I ACCEPT/AGREE" BUTTON, WHICH ALSO REPRESENTS MY "ELECTRONIC SIGNATURE" AFFIRMING MY ACCEPTANCE. ACTIVATION OF THIS BUTTON ALLOW ME TO HAVE ACCESS TO THE INFORMATION ENTRY PAGE TO PROCEED WITH ENTRY OF THE REQUISITE DATA TO BECOME AN I-REPRESENTATIVE FOR THE COMPANY, SHOULD THE COMPANY ACCEPT MY APPLICATION.

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EXHIBIT 2

CONTINUING ACKNOWLEDGEMENT -- READ CAREFULLY

THIS WEBSITE (INCLUDING ANY AND ALL REPLICATIONS THEREOF) IS OWNED AND OPERATED BY COGNIGEN NETWORKS, INC. ("COGNIGEN"). USE OF A REPLICATION OF THIS WEBSITE IS OFFERED BY COGNIGEN TO THE "USER", CONDITIONED UPON ACCEPTANCE BY THE USER OF THE TERMS, CONDITIONS AND NOTICES SET FORTH THEREIN. THIS DOCUMENT CREATES A BINDING AGREEMENT BY AND BETWEEN COGNIGEN AND USER AS THE INDEPENDENT REPRESENTATIVE OF COGNIGEN. WHEN USER CLICKS THE "I ACCEPT/AGREE" BUTTON AT THE END OF THIS DOCUMENT, USER ACKNOWLEDGES THAT USER ACCEPTS AND AGREES TO BECOME LEGALLY BOUND BY THE STATED TERMS, CONDITIONS AND NOTICES OF THE AGREEMENT. FURTHER, USER ACKNOWLEDGES THAT USER ACCEPTS AND AGREES TO BE LEGALLY BOUND BY ANY AND ALL AMENDMENTS AND MODIFICATIONS MADE TO THE AGREEMENT, FROM TIME TO TIME AS POSTED ON THE WEBSITE, AFTER USER'S ORIGINAL ACCEPTANCE.

IN THE EVENT THE STATED TERMS, CONDITIONS AND NOTICES OF THIS AGREEMENT ARE NOT ACCEPTABLE TO USER, THEN DO NOT PROCEED.



Fee-free – NO FEE assessed to become a Cognigen Independent Representative

COGNIGEN NETWORKS, INC. INDEPENDENT REPRESENTATIVE AGREEMENT TERMS, CONDITIONS AND NOTICES

I. Basic Recitals and Definitions

1.1. The "Company" shall mean Cognigen Networks, Inc., a direct selling organization marketing telecommunications products and services to the consumer through independent representatives. The stated terms and conditions apply to all of the Company's Independent Representatives. The Company reserves the right to accept or reject any Independent Representative application. There is no application fee and no purchase required of any of the products and services of the Company to become an Independent Representative.

1.2. "I-Representative" shall mean an independent representative who is an individual or entity that: (i) has accepted and agreed to be legally bound by the terms and conditions of the Company's Independent Representative Agreement (the "Agreement") and (ii) has been accepted by the Company as an I-Representative. The I-Representative shall have legal capacity and shall have attained legal age to work and enter into contracts in the state or other authoritative locale in which the I-Representative markets the Company's and Providers' products and services.

1.3. "Acceptance" shall mean that the I-Representative has clicked on the "I Accept/Agree" button at the end of this Agreement, and agrees to be legally bound by all the terms and conditions of the Agreement, as stated herein and as amended or modified from time to time hereinafter. The Company reserves the right to reject the I-Representative's application at any time after the I-Representative has indicated an "Acceptance."

1.4. A "Provider" shall mean a vender of a product or service, that has entered into an agreement with the Company to offer the vendor's products or services through the Company's marketing to the general public by I-Representatives.

1.5. "FEE-FREE Website" shall mean a Company owned and activated "ld.net" website for the free use (subject to this Agreement) by the I-Representative during the term of this Agreement. To maintain a Fee-FREE Website, the I-Representative must comply with all of the terms and conditions of this Agreement, and in particular the Website Use terms in Section III. "Website" shall mean a URL web address on the Internet. "Public Website" shall mean that portion of the Website that is available for access by general public. "I-Representative Website" shall mean the portion of the Website that is restricted to and for internal use only by the respective I-Representative.

1.6. "Information Entry Page" is the Web page that will be downloaded to I-Representative's computer after I-Representative's acceptance of this Agreement. The I-Representative will be prompted to enter certain information on the Information Entry Page: I-Representative's (i) first and last names; (ii) mailing address; (iii) telephone number; (iv) Social Security Number; and (v) desired Password and User Name. The I-Representative may be asked additional, voluntary information that will be used for the purposes of determining the I-Representative profile. The I-Representative also agrees that data submitted on the Information Entry Page(s) must be kept current by the I-Representative to maintain communication integrity. All of the data supplied and entered on the Information Entry Page by the I-Representative shall be truthful, factually accurate information. Misrepresentations or fraudulent statements supplied in connection with this Agreement shall cause immediate termination, forfeiture of present or future compensation allegedly due for products or services marketed, and grants the Company the right to demand restitution for commissions paid.

1.7. "User Name" is the Company identification ("Cogid") of the I-Representative Website that allows and limits access thereto by the I-Representative through a designated Password selected by the I-Representative.

1.8. "Proprietary Marks" shall mean the mark "Cognigen," plus, any and all of the Company names, trade names, trademarks, service marks and logos that presently exist and may be created, designed or otherwise originated from time to time for use in connection with the Company's marketing of products and services. Further the term, Proprietary Marks, shall include the name, trade names, trademarks, service marks and logos of any and all Providers with which the Company has or shall contract to market such Providers' products and services. All Proprietary Marks remain the intellectual property of the Company. This Section shall survive termination under this Agreement.

1.9. "Proprietary Information" shall mean all confidential and proprietary information of the Company, including but not limited to lists or other identification of I-Representatives; pertinent facts or information about I-Representatives, accumulated and stored by the Company; I-Representative User Names, Cogids, Website URL names and addresses, "dba" names, email addresses and phone numbers; the Company Compensation Plan with its organizational structure and its vertical and horizontal levels of compensation, as it presently exists or may be modified from time to time; the Company's accumulated information about, contacts and contractual agreements with Providers. All Proprietary Information must be kept confidential and must not be disclosed by the I-Representative to third parties. All Proprietary Information remains the intellectual property of the Company. This Section shall survive termination under this Agreement.

1.10. "Licensed Materials" shall mean any and all information and materials, whether copyrighted or produced and published without copyright, the Company offers to its I-Representatives for training, review and use in the administration of marketing the products and services of and offered by the Company. The Licensed Materials include but is not limited to all information and materials on the Company's Fee-FREE Website system and related links to other Company data utilized by the I-Representative.

1.11. Products and Pricing. The Company reserved the right to change products and services or, from time to time without prior notice, modify pricing of products and services that are offered by the Company. Any such changes or modifications shall become effective immediately upon the Company's posting on the I-Representatives' Website unless another effective date is specified.

1.12. Reaffirmation of Acceptance. The Company reserved the right to amend and modify the terms and conditions of this Agreement, from time to time without prior notice. Any such amendments or modifications shall become effective immediately upon the Company's posting on the I-Representatives' Website unless another effective date is specified. Each I-Representative reaffirms the Acceptance of this Agreement with the Company, as modified, upon each and every occasion that the I-Representative uses the Fee-Free Website and specifically when accepting, endorsing or negotiating the monthly compensation payments issued and delivered by the Company to the I-Representative.

II. Appointment and Term

2.1. Appointment. The Company appoints I-Representative as a non-exclusive independent sales representative of the Company for the term of this Agreement and I-Representative accepts appointment. The I-Representative is an independent contractor (individual or entity) that is compensated for marketing products and services for the Company. The I-Representative is not a franchisee or a distributor of the Company. I-Representative shall be responsible for all expenses incurred which in any way arise out of the marketing of products and service of the Company under this Agreement or otherwise. I-Representative determines the time, method and manner of marketing the products and services offered by Company, provided that there is compliance with all the terms and conditions of this Agreement and any other policies and procedures established, from time to time, and announced by the Company.

2.2. Term. The term of this Agreement ("Term") shall commence on the date the Company accept the Independent Representative application and shall continue until this Agreement is terminated pursuant to the provisions contained herein. Certain identified Sections herein shall survive termination under this Agreement.

2.3. Commissions and Bonuses. The Commission Plan is premised upon the Company receiving certain agreed amounts and payment thereof from existing or additional Providers. From time to time, to become or remain competitive in the changing telecommunication market conditions, it may be necessary for the Company to modify the terms and conditions of agreements with the Company's Providers. Modification of such Provider agreements may necessitate scaling of the proportional distribution by the Company of the revenue received from said Providers. The Company shall provide Notice to the I-Representative of any such modification that may affect the I-Representative's compensation. The Company does not owe the I-Representative any compensation on products and services marketed by the I-Representative until such time, if ever, that the Company collects the respective payment from the respective Provider. Commissions and bonuses are paid to the I-Representative according to the Company Compensation Plan, a copy of which is linked to each and every Fee-FREE Website and incorporated herein by reference. Such compensation is paid once per month to the eligible I-Representative. The Company pays the I-Representative's compensation within approximately a thirty-day period after receipt of payment from the Provider; therefore, there is approximately a sixty-day lag-time between the date the I-Representative makes a sale of a product or service and the date of payment of the I-Representative's compensation. Payments made to the I-Representative are subject to charge-backs assessed on Company pursuant to the terms and conditions of agreements with the Company's Providers. The Company shall provide Notice to the I-Representative of any such vendor charge-backs that may affect the I-Representative's compensation.

2.4. Compensation Eligibility. Maintenance of existing customer accounts and acquisition of new customer accounts are of primary importance to the Company. Compensation eligibility of the I-Representative to receive commissions and bonuses is conditioned upon compliance with the Company policies, plus performance of the I-Representative to: (i) sell at least one Company product or service within the first 60 days of becoming a I-Representative and to sell not less than one Company product or service for each

twelve months; (ii) maintain the monthly minimum volume requirement of ten thousand dollars in received monthly sales revenue by the twelfth month (after being accepted as an I-Representative by the Company) and each month thereafter, regardless of promotional level (IR, QR, AR, RR, NR and PPR) to receive or accrue commissions on customer accounts; and (iii) maintain supervisory responsibility requirements of sponsored I-Representatives as outlined herein by the Company. To accrue and receive override compensation on customer accounts sold by the I-Representative's downline pursuant to the various levels of the Company's Compensation Plan, the I-Representative shall have complied with all of the conditions stated in (i), (ii) and (iii), above, in this paragraph. The Company may revoke the I-Representative's eligibility for compensation in the event the I-Representative fails or neglects to comply with the terms and conditions of this Agreement.

2.5. Independent Contractor. This Agreement does not create an employer-employee relationship between the Company and the I-Representative. It is the parties' intention that the I-Representative will be an independent contractor and not the Company's employee for any purpose. Company and I-Representative agree that I-Representative's business is a separate and independent enterprise from that of the Company. The I-Representative will retain discretionary judgment in the manner and means of carrying out the activities hereunder of the I-Representative, provided the same are not contrary to the terms and conditions of this Agreement. The I-Representative does not have express, implied or apparent authority to enter into any contract on behalf of Company or otherwise to bind the Company to any agreement unless expressly authorized, in writing, by an officer of the Company. The Company will not be liable for any obligation incurred by the I-Representative, except as otherwise provided herein. I-Representative shall indemnify and hold harmless the Company from any claims, damages or liabilities arising out of the business practices of I-Representative.

III. Basic Requirements and Duties

3.1. Identification Number. The I-Representative shall provide the Company with a valid identification number ("ID#"). In the event the I-Representative is transacting business as an individual or in any other personal format then that ID# shall be the I-Representative's Social Security Number (SS#). In the event the I-Representative is a corporation, limited liability company, or partnership, the ID# shall be the Federal Employee Identification Number ("F.E.I.N."). In the event the purported entity does not provide a F.E.I.N., then the Company shall interpret the "entity" as an individual or group of individuals and require the appropriate SS#s. In the event the I-Representative is located outside of the USA, then the appropriate governmental or other authoritative agency ID# or United States passport number shall be submitted to the Company. The I-Representative authorizes the Company to verify the ID# submitted. The ID# shall be used by the Company for tax reporting and other lawful purposes. The Company shall not pay and the I-Representative shall not be entitled to payment of any commissions or bonuses on products and services marketed prior to the receipt of the I-Representative's ID# (SS# or F.E.I.N.).

3.2. Website. The I-Representative shall be permitted to have no more than one Fee-FREE Website from which there is Compensation Plan payment to the I-Representative. The Company may permit use of more than one Fee-FREE Website for the I-Representative upon request and valid premises, provided that such additional Website(s) shall be attributed only to the subject I-Representative and shall be linked into that I-Representative's one primary Fee-FREE Website. All products and services marketed by the I-Representative shall accumulate as and through the one primary Fee-FREE Website with regard administration and advancement pursuant to the various levels of the Company's Compensation Plan.

3.3. Compliance with Laws and Regulations. The I-Representative shall comply with all federal, state and local taxes and regulations governing the sale of company products and services. I-Representative shall be responsible for payment of income tax, self-employment tax and other tax of any nature, if any, due and owing to any federal, state, county, municipal, country, province, territory or any other governmental taxing authority for the I-Representative and employee-representatives, if any. Such taxes are the responsibility of the I-Representative, who shall indemnify and hold harmless the Company for payment of any such taxes.

3.4. Change of Status. Each and every I-Representatives is required to report to the Company any change in status that may affect I-Representative's rights to receive any commission or other compensation from the Company. Such change in status may include, a change of marital status or a change from individual to corporation, limited liability corporation or partnership. This Agreement shall not be assigned or transferred without prior written approval of Company.

3.5. Change of Entity. In the event the I-Representative desires to change of business names or form entity to a corporation, Limited Liability Corporation, partnerships or trusts for tax, estate planning, and limited liability purposes, the I-Representative must submit the proposal for the Company for approval of the proposed change. The Company reserves the right, at its own discretion, to approve or disapprove the proposed change or restructure. In the event Company approves the proposed change or restructure, the new organization's name and the names of the principals involved therein must be submitted to Company, including new or additional ID#.

3.6. Death or Disability. In the event of death or incapacitating disability of an individual I-Representative, the personal representative, executor, trustee or court appointed advocate for the estate of the I-Representative's shall notify the Company to request an assignment of change of status. I-Representative and the subject estate shall indemnify and hold harmless the Company for any and all claims related to the payment of commissions, or lack thereof, to the I-Representative or the estate.

3.7. Goodwill. The I-Representative shall at all times safeguard the Company's reputation and promote the good will of the Company and the products or services marketed by the Company. I-Representatives shall refrain from any and all conduct that may be harmful to the reputation of the Company or the Providers of the products and services offered by Company. The I-Representative shall refrain from and avoid all deceptive, misleading, unethical or discourteous conduct or practice.

3.8. Unauthorized Products and Services. I-Representative shall not use the Fee-FREE Website to promote, market or sell products or services that, directly or indirectly, are not specifically authorized in advance by the Company. The terms, "directly or

indirectly," include, but are not limited to, prohibiting identification of such other products or services on the Fee- FREE Website wherein a symbol thereof is identified to provide linking to another website or multiple websites that promote, market or sell products and services, notwithstanding the fact that such products and services may not be competitive with the Company's products and services. The Company reserves the right to immediately deactivate and terminate the use of the Fee-FREE Website by the I-Representative when, in its opinion and sole discretion, the Company determines that the I-Representative has violated the permitted use of the Fee-FREE Website as stated herein.

3.9. Use of Licensed Materials. The Company's Licensed Materials, including filmed, videotaped, audio-taped recorded or printed, shall not be duplicated, produced, reproduced, marketed or distributed in whole or in part and shall not replicated in deceptively similar in form or style, directly or indirectly, by the Representative or any third person, except as authorized by prior written approval by an officer of the Company. The I-Representative's use of Licensed Materials is limited to the time-term and the explicit purpose that the I-Representative actively markets the products and services offered by the Company. The use of the Licensed Materials terminates concurrently with the termination of the I-Representative. All Licensed Materials remain the intellectual property of the Company. This Section shall survive termination under this Agreement.

IV. Website Use

4.1. Duties of Company, pursuant to this Agreement, shall be to provide I-Representative with access to the designated Fee-FREE Website.

4.1.1. Website Privacy. The Company shall not disclose to third parties any personal information that the I-Representatives submits to Company through the Information Entry Page. Such data shall be used for the sole purposes of the Company for the administration of the account of, notices to, periodic contact with the I-Representative or any other purpose the Company deems necessary.

4.1.2. Unauthorized Access of Website. I-Representative must protect the I-Representative's Password. The I-Representative is solely responsible for use of I-Representative's Website by any third party using the access information provided by the I-Representative. In the event that I-Representative determines that another party has improperly or wrongfully gained or should no longer maintain access to I-Representative's User Name or Cogid and Password, then upon written notice to the Company, I-Representative may request the Company to delete the old information and issue a new User Name, Cogid and Password to I-Representative.

4.1.3. Availability of Representative Website. Company shall notify I-Representative by posting or e-mail of scheduled upgrade or maintenance work on the I-Representative Website. In the event it is possible to determine the length of time the Website will be unavailable, then the Company shall notify the I-Representative in advance of that information. The Company does not warrant that the I-Representative Website will be available to I-Representative on a continual twenty-four hour basis.

4.1.4. Website Monitoring. THE COMPANY DOES NOT PLAN TO ACT AS A "CENSOR" OR "MONITOR" THE WEBSITE. THE COMPANY DISCLAIMS ALL RESPONSIBILITY FOR ANY MATERIAL DISCUSSED OR POSTED ON THE WEBSITE BY THE I-REPRESENTATIVE. HOWEVER, UPON NOTICE OF A PURPORTED VIOLATION OR IRREGULARITY OF THE WEBSITE, THE COMPANY SHALL INVESTIGATE ANY AND ALL SUCH ALLEGATIONS OF A VIOLATION OF TERMS AND CONDITIONS OF THIS AGREEMENT.

4.1.5. Website Deactivation. The Company reserves the right to remove any statement, sound byte, graphic image or other item, the presence of which violate the terms and condition of this Agreement, now in existence or as modified from time to time. The Company reserves the right, in the alternative, to immediately deactivate and terminate the use of the subject Website by the I-Representative without prior notice, in the event the I-Representative violate any of the terms and condition of this Agreement, now in existence or as modified from time to time.

4.2. Duties of I-Representative, pursuant to this Agreement, shall be to provide I-Representative with access to the designated Fee-FREE Website.

4.2.1. Restrictions of Use. I-Representative shall be obligated to continuously check the Website for any changes in such rules or regulations. Without limiting the generality of the foregoing, I-Representative agrees to not post, directly or indirectly on or by links to any other websites, any of the following material or information to the Website: (i) intellectual property copyrighted or trademarked by others; (ii) abusive, defamatory or inflammatory statements; (iii) statements which contain vulgar, obscene or indecent statements or graphical images; (iv) statements which threaten the person of others; (v) advertising or other forms of solicitation; (vi) statements which are bigoted, hateful, racially offensive or endorse or advocate illegal or immoral activity; (vii) statements of or about political issues or political campaign materials; and (viii) any materials not specifically approved by prior written consent of an officer of the Company.

4.2.2. Availability of I-Representative Website. I-Representative recognizes that the traffic of data through the Internet may cause delays during the download of information from the I-Representative Website. I-Representative shall not hold the Company liable for any delays that are ordinary in the course of Internet use. I-Representative acknowledges that the I-Representative Website may not be available on a continual twenty-four hour basis as a direct or indirect result of Internet delays and delays caused by the Company's upgrading, modification, or standard maintenance by the Company.

4.3. Limitation of Liability: THE WEBSITE SERVICES PROVIDED BY THE COMPANY ARE PROVIDED AS IS, WITHOUT WARRANTY OF ANY KIND TO I-REPRESENTATIVE OR ANY THIRD PARTY, INCLUDING, BUT NOT LIMITED TO, EXPRESS OR IMPLIED WARRANTIES OF: (i) MERCHANTABILITY; (ii) FITNESS FOR A PARTICULAR PURPOSE; (iii) EFFORT TO ACHIEVE PURPOSE; (iv) QUALITY; (v) ACCURACY; (vi) NON-INFRINGEMENT; (vii) QUIET ENJOYMENT; AND (viii) TITLE. I-

REPRESENTATIVE AGREES THAT ANY EFFORTS BY THE COMPANY TO MODIFY ITS PRODUCTS OR SERVICES SHALL NOT BE DEEMED A WAIVER OF THESE LIMITATIONS, AND THAT ANY COMPANY WARRANTIES SHALL NOT BE DEEMED TO HAVE FAILED OF THEIR ESSENTIAL PURPOSE. I-REPRESENTATIVE FURTHER AGREES THAT THE COMPANY SHALL NOT BE LIABLE TO THE I- REPRESENTATIVE OR ANY THIRD PARTY FOR ANY DIRECT, INDIRECT, SPECIAL OR OTHER CON-SEQUENTIAL DAMAGES FOR ANY USE OF THE WEBSITE OR ANY OTHER HYPER-LINKED WEBSITE, INCLUDING, WITHOUT LIMITATION, ANY LOSS OF PROFITS, LOSS OF USE, INTERRUPTION OF BUSINESS, WHETHER UNDER THE TERMS AND CONDITIONS OF THIS AGREEMENT OR OTHERWISE, EVEN IN THE EVENT THE COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR WAS GROSSLY NEGLIGENT. SOME JURISDICTIONS DO NOT PERMIT THE EXCLUSION OR LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES, AND, AS SUCH, SOME PORTION OF THE ABOVE LIMITATION MAY NOT APPLY TO I-REPRESENTATIVE. IN SUCH JURISDICTIONS, COMPANY'S LIABILITY IS LIMITED TO THE GREATEST EXTENT PERMITTED BY LAW.

V. Business Practices

5.1. **Slamming and Spamming.** The I-Representative shall not engage in or facilitate any form of slamming or spamming in any way with any customers or potential customer of the Company or any of the Company Providers. Basically, Slamming occurs when one party surreptitiously and fraudulently switches or causes the transfer of another party's long distance or local telephone service from one carrier to another without customer-user's knowledge or consent. The I-Representative shall not submit any order to switch long distance or local telephone service unless the transfer has been fully and knowingly authorized and verified by the customer-user in accordance with the Company and Provider's operating principles, procedure, and guidelines. Instances of forgeries or willful violations of applicable laws, rules and regulations shall result in the immediate termination and a permanent ban of I- Representative from any representation of the Company. Spamming, occurs when a party uses any unauthorized or unsolicited communication or transmission of information or material by phone, facsimile, email or other telecommunication equipment to another individual or entity not having a prior business or personal relationship with that sender. Specifically, unsolicited advertisements sent by telephone or facsimile are restricted by federal law. Legal action may be filed to recover actual monetary loss from such violation, with damages for each such violation, whichever is greater. This Section shall survive the termination of this Agreement.

5.2. **Slamming or Spamming NO Tolerance Policy.** It is acknowledged by the I- Representative that the Company prohibits and shall not tolerate any occurrence of Slamming or Spamming. Upon each and every occasion that the I-Representative endorses or negotiates the monthly compensation checks issued and delivered to the I-Representative by the Company, each I-Representative reaffirms that the I-Representative shall not engage in or facilitate any form of slamming or spamming in any way with any customers or potential customer of the Company or any of the Company Providers. The Company will take all action necessary to protect the Company customers against Slamming or Spamming, including, but without limitation, termination of the I- Representative. The Company prohibits the I- Representative from using any of the Company's Proprietary Information, Proprietary Materials and Licensed Materials on or through any automatic calling devices, "broiler room" operations or any other form or unsolicited advertising to generate prospective customers or for sponsoring new I-Representatives.

5.3. **Violation of Laws and Regulations.** I-Representative acknowledges that certain local, state and federal laws and regulations apply to I-Representative as an independent contractor and as an individual. I-Representative agrees to comply with all applicable local, state and federal laws. Further, I-Representative agrees to defend, indemnify, and hold harmless the Company, including the Company's affiliates, subsidiaries, agents, directors, officers and employees, against all claims, damages, losses, causes of action, liabilities and expenses of any kind or nature, including but not limited to reasonable attorney fees, which arise out of or relate to the failure of I-Representative to comply with such applicable local, state and federal laws and regulations in the performance of I- Representative's obligations under this Agreement. This Section shall survive termination under this Agreement.

5.4. **FTC Rule.** Federal Trade Commission ("FTC") Three-Day "Cooling Off" Rule requires specific statutory language and notice of the right of cancellation on the retail sales receipt. Notwithstanding the Company's retail customer guaranty policy, all retail sales must comply with the FTC Rule.

5.5. **Endorsements by federal, state or local governmental or regulatory agencies** are rarely offered or made concerning program or materials marketed or promoted in the private sector. The Company has not requested and does not intend to request any such governmental or regulatory endorsement of the Company's Proprietary Materials or Licensed Materials. Therefore, the I- Representatives shall not represent that such endorsements exist.

5.6. **Non-Circumvention.** During the term of this Agreement and for a period of one year after the I-Representative's resignation, termination or departure from the Company, I- Representative shall not circumvent or attempt to circumvent the Company by negotiating with or entering into any agreement or agreements, competitive or otherwise, directly or indirectly, with any of the Providers of the Company. Further, I-Representative shall not attempt to solicit, induce or cause transfer of any customer or other I-Representatives of the Company to another provider competitive to the Company. The I-Representative acknowledges that such acts are tortious interference with a contract by and between the Company and its customers or other I- Representative. This Section shall survive termination under this Agreement.

5.7. **I-Representation business cards, stationary and any printed material,** proposing to use the Company name or any Proprietary Marks, must be submitted by the I- Representative to the Company for review and approval by written consent of an officer of the Company prior to printing and distribution. Such printed materials may be purchased through the Company.

5.8. **I-Representation Business Phones.** The I-Representative's business-telephone(s) may not use, listed under or make reference to the Company name.

5.9. **Provider Return Policies.** All Provider products and services purchased through the Company from a Provider are subject to

the respective Provider's return policies. The Company is not responsible for a Provider's return policies and the Company shall not accept such returns.

5.10. Press Inquiries. Any inquiries by the news media must be referred immediately to the Company to ensure presentation of factual information, plus an accurate and consistent public image.

VI. Marketing Materials

6.1. Representations Regarding the Company or Products. I-Representative agrees not to make any oral or written statements regarding the Company, its products, its services, the products and services of its Providers and the Company marketing program, that are not expressly contained in the materials supplied by the Company directly to the I-Representative. The I-Representative agrees to indemnify and hold harmless the Company from any and all liability including judgments, civil penalties, refund, attorney fees, court cost or lost business incurred by the Company as a result of I-Representative's unauthorized representations. This Section shall survive termination under this Agreement.

6.2. Reporting. The Company will provide, as and when available, computer reports to the I-Representatives. The reports may include information regarding I-Representative's sales organization, product purchases and product mix. The I-Representative acknowledges that such reports are the Company's Proprietary Information. The use of such reports is provided by the Company for use the I-Representative, solely, during the term of this Agreement and not afterwards. The I-Representative shall not, directly or indirectly, disclose the Proprietary Information to any third party. The I-Representative and the Company agree that, but for this agreement of confidentiality and nondisclosure, the Company would not provide the Proprietary Information to the I-Representative. This Section shall survive termination under this Agreement.

6.3. Proprietary Marks. The Proprietary Marks of the Company and Providers have significant value and the I-Representative may use the Proprietary Marks only as authorized and pursuant to this Agreement. The I-Representative shall use the Proprietary Marks only in the form and format provided by the Company. The I-Representative shall obtain prior written permission from an officer of the Company for any other use the Proprietary Marks. Such prohibited use includes, but not limited, to advertising or promotional materials individually procured by the I-Representative for marketing of the products and services of the Company or its Providers. The I-Representative shall not use any written, printed, recorded material, or any other material in advertising, promoting or describing the products and services of the Company's marketing and sponsoring program, unless such materials have been submitted to the Company for approval and such approval is granted, in writing, by an officer of the Company prior to dissemination, publication, displayed or use by the I-Representative.

6.4. Licensed Materials. The Licensed Materials of the Company and Providers have significant value and the I-Representative shall not advertise the Licensed Materials of the Company and Providers, except when and as authorized by prior written consent by an officer of the Company. Any display, institutional, trademark, television, radio, Internet, direct mail or newspaper advertising copy, other than that originated, produced and disseminated by the Company, must be submitted by the I-Representative to the Company for analysis, review and approved by written consent of an officer of the Company prior to dissemination, use or publication, privately or publicly.

6.5. Sales Materials. All I-Representatives are encouraged to purchase sales aid materials only for the use of display and as required in the operation of the I-Representative's business. Maintaining an inventory supply may not be necessary and is not required by the Company. 6.6. The Company has originated and produced certain Licensed Materials for I-Representative sales aids. In the event such sales aids were purchased from the Company by the I-Representative and are unencumbered, in salable condition, in possession of the I-Representative and which had been purchased within one year of the I-Representative's voluntary termination, then such sales aids may be, at the Company's sole option, repurchased by the Company. The repurchase may be at a price of not more than eighty percent of the original net cost to the I-Representative. As a condition for such a refund, the sales aids must be returned, postage prepaid, to the Company in their original sales aid packaging, in near- original condition, ready to be re-stocked and resold.

VII. Sponsorship

7.1. Sponsoring I-Representative. Each I-Representatives has the opportunity to become a "Sponsor" I-Representative. The initial process begins when the sponsor facilitates other individuals or entities to make application with the Company to become an I-Representative. Potential new I-Representatives may be discovered through aggressive personal contact of the sponsoring I-Representative, by passive or direct contact through the I-Representative's Public Website or as a result of the I-Representative's purchase of the professional business card package. The I-Representative must provide the prospective I-Representative with information to identify how and where the prospect would login to review the opportunity and make application with the Company for marketing of the products and services offered by the Company. To assure that the I-Representative is credited with a new sponsorship, the Sponsor I-Representative shall have the prospective login through the Sponsor I-Representative's Public Website. Failure to instruct the prospect on login procedure may invalidate I-Representative's sponsorship.

7.2. Duties of the Sponsoring I-Representative. The second and continuing phase of a Sponsor I-Representative is to fulfill the obligation of assisting, training and performing bona fide supervisory functions in developing the new sponsored I-Representative into a proficient marketer of the products and services offered by the Company to the ultimate consumer. The Sponsor I-Representative must have continuing and ongoing contact, communication with and management of each sponsored I-Representative in the organization of the Sponsor I-Representative. Such supervision may include, but is not limited to: e-mail, newsletters, written correspondence, personal meetings, telephone contact, voicemail, training sessions, and sharing genealogy information with all of those sponsored I-Representatives. When requested by the Company, Sponsor I-Representatives shall provide evidence to the Company on the ongoing fulfillment of the Sponsor I-Representative's responsibilities. In the event the Sponsor I-Representative fails to give evidence of supervisory actions to the non-productive sponsored I-Representatives, then the

Sponsor I-Representative shall be given a thirty-day (30) period to show evidence of the corrective action to assist the non-productive sponsored I-Representative improve their respective skills and work habits. In the event the Sponsor I-Representative fails or neglects to assume and perform the necessary supervision and management within the thirty-day (30) period, Company shall confer with the Sponsor I-Representative to determine, in the alternative at the Company's sole discretion, whether to (i) remove each of the non-productive sponsored I-Representative from the Sponsor I-Representative's management, or (ii) withhold the Sponsor I-Representative's next payment due of all bonuses and override commissions for the next thirty-day (30) period, thus giving a "second chance" for the Sponsor I-Representative to activate and refine the supervisory and management skills. If after further review by the Company, the corrective action remains deficient, the Company shall withhold the Sponsor I-Representative's next payment due of all bonuses and override commissions for a six-months period. If after this six-month final review, the Sponsor I-Representative has not produce evidence of a supervisory and management abilities or has indicated unethical sponsoring practices, the Company may (i) relieve the Sponsor I-Representative of all sponsored I-Representatives and retain the bonuses and override commissions previously withheld, and/or (ii) terminate the Sponsor I-Representative. The I-Representatives who sponsor widely, but do not supervise and manage the new I-Representatives to develop business acumen, meet with limited success. It is the sole responsibility of Sponsor I-Representatives to assist, train and perform bona fide supervisory and management functions to develop the newly sponsored I-Representative into a proficient marketer of the Company products and services offered.

7.3. Reassignment of Non-Productive I-Representatives. In the event the downline of the Sponsor I-Representative is removed, in full or in part, at the sole discretion of the Company, the subject sponsored I-Representatives shall be: (i) reassigned to another Sponsor I-Representative; or (ii) placed in the repository of un-sponsored I-Representatives in the Founders Club to be assigned to fee-paid-subscribers, according to the established procedure of distribution the Founders Club.

7.4. Income Claims. I-Representatives shall not represent hypothetical income figures as actual income projections, based upon the alleged inherent power of network marketing. The Company holds the position that such statements are false and misleading. Such representations about hypothetical income projections are considered misrepresentations and thereby are prohibited in any sponsorship or recruiting presentation.

7.5. Sponsor Conflicts. In the event two Sponsor I-Representatives claim to be the sponsors of the same new sponsored I-Representative, the sponsored individual or entity may elect to select which I-Representative shall be the sponsor. Unless otherwise designated by the sponsored individual, the Company shall regard the first application received by the corporate office as being the binding choice of the sponsored I-Representative. It is the responsibility of the Sponsor I-Representative to ensure that the prospective I-Representative has made contact and application to the Company through the I-Representative's Public Website.

7.6. Transfer of Sponsorship is rarely permitted and is actively discouraged. The Company believes that maintaining the integrity of sponsorship is mandatory for the success of the system. In the event an I-Representative elects to pursue such a transfer, a written request shall be presented to the Company stating the relative facts and the premises for the transfer.

VIII. Termination

8.1. The I-Representative may terminate the relationship with the Company at any time and for any reason, simply by written or email notification delivered to the Company. In the event the I-Representative elects to terminate this Agreement and the relationship with the Company, all rights to receipt of compensation, including but not limited to all commissions, override commission, bonuses, stipends or discounts on products and services theretofore purchased by the I-Representative, shall terminate immediately.

8.2. The Company reserves the right to terminate the relationship with the I-Representative at any time in the event that in the Company's sole opinion that the Company determines that the I-Representative has violated: (i) any of the terms and conditions of this Agreement, as it presently exists or as it may be amended or modified from time to time; (ii) any provision of applicable laws, rules or regulations; (iii) any standards of fair and honest dealing, including but not limited to the I-Representative dealing in any secret arrangement, deceitful tactic, collusion or apparent conspiracy with any third-party to circumvent any existing prohibitive provision or non-complete agreement by and between that third-party and a respective contracting-party to which the third-party has an apparent binding obligation; (iv) any Company policy or procedure; or (v) the I-Representative's neglect or failure to maintain and provide the Company with a current email address, mailing address, phone number(s) or other pertinent data deemed necessary at the sole discretion of the Company. The act of termination of an I-Representative carries with it the corresponding termination of any and all current or future compensation that may be attributed to products and services marketed on behalf of the Company by the subject I-Representative or the downline I-Representatives thereof, while acting in the I-Representative capacity.

8.3. In the event of such termination of the I-Representative, the sole obligation of the Company shall be to notify the I-Representative at the last known e-mail address provided by the I-Representative to the Company. The termination shall be effective immediately, unless otherwise stated in the notice.

8.4. The I-Representative shall have a fifteen-day (15) period from the date of transmission of the email notification in which to appeal the termination in writing. In the event the Company does not receive the I-Representative's written appeal within the fifteen-day period, then the termination shall be final and effective as of the date of the notification of termination.

8.5. In the event the I-Representative files a written appeal, timely, the Company shall (i) review the factual basis of the written appeal; (ii) consider the premises of the termination; (iii) consider any alternative action that may be appropriate; and (iv) notify the I-Representative of the Company's final decision.

8.6. The Company's decision shall be final and subject to no further review. In the event the Company upholds the termination, the

effective date shall be the date of original notice of termination emailed by the Company.

IX. Miscellaneous

9.1. Waiver. No course of dealing between the Company and the I-Representative shall modify, amend, waive or terminate any of the terms and conditions herein or any obligations of the I-Representative under or by reason of this Agreement, without prior written consent of an officer of the Company.

9.2. Dispute Resolution. This Agreement is governed under the laws of the State of Colorado. During and after the term or any extension of the term of this Agreement, any dispute, controversy or claim arising out of or relating to this Agreement, or the breach thereof between the Company and I-Representative or I-Representatives ("Arbitral Claims") shall be settled by binding arbitration in Denver, CO, USA, according to the Federal Arbitration Act, 9 U.S.C. § 1, et seq., inasmuch as this Agreement concerns transactions involving interstate commerce and the corporation laws of the State of Colorado. Arbitral Claims shall include, but are not limited to, contract (express or implied) and tort claims of all kinds, as well as all claims based on any federal, state, or local law, statute, or regulation. The parties hereby waive any rights they may have to trial by jury in regard to arbitral claims. This clause shall not be construed to limit Company from bringing any action for injunctive or other provisional relief as Company deems necessary or appropriate to compel I-Representative to comply with its obligations hereunder or to protect Company's intellectual property rights in any court of competent jurisdiction in the State of Colorado and agree that in the event Company elects to bring an action for injunctive or other provisional relief in a court of competent jurisdiction, such court(s) shall have exclusive jurisdiction over any such action. Notwithstanding the foregoing and in its sole discretion, Company may seek and obtain such injunctive or other provisional remedies to prevent an anticipatory, threatened or continued breach of this Agreement, through the arbitration procedure stated herein. Each of the parties hereby submits to the jurisdiction of the state and federal courts in Denver, Colorado, for these purposes. Pending the final disposition of a dispute other than a dispute arising out of the termination of this Agreement by Company, the parties shall, at all times, proceed diligently with the performance of this Agreement.

The arbitrator(s) shall be selected as follows: The parties shall jointly select one impartial arbitrator in the event the dispute is less than \$50,000. In the event the parties cannot agree on one arbitrator within ten (10) days, or the dispute is \$50,000 or greater, then each party shall select an impartial arbitrator within the following twenty (20) days, and those two selected arbitrators shall select the third arbitrator who will comprise a three-person panel for arbitration. All arbitration matters shall be held and decided in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), but without the administration, cost or supervision of AAA. In any arbitration, the burden of proof shall be allocated as provided in applicable law, and the arbitrator(s) shall have the authority to award or grant legal, equitable, and declaratory relief only to the same extent as if the case were brought in a civil court.

The arbitrator(s), in addition to declaratory relief, preliminary and permanent injunctive relief and compensatory damages, shall award to the prevailing party reasonable fees and costs of attorneys. Confirmation and enforcement of the decision and award rendered by the arbitrator or panel of arbitrators shall be binding and may be entered in any court having jurisdiction thereof for confirmation and enforcement of the arbitration decision and award.

9.3. Severability. If all or part of any term or condition of this Agreement, or the application of any term or condition of this Agreement, is determined by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of the terms and conditions of this Agreement (other than those portions determined to be invalid or unenforceable) shall not be affected, and the remaining terms and conditions (or portions of terms or conditions) shall be valid and enforceable to the fullest extent permitted by law. If a judicial determination prevents the accomplishment of the purpose of this Agreement, the invalid term or condition (or portions of terms or conditions) shall be restated to conform with applicable law and to reflect as nearly as possible the original intention of the parties.

9.4. Waiver or Forbearance. Any delay or failure of either party to insist upon strict performance of any obligation under this Agreement or to exercise any right or remedy provided under this Agreement shall not be a waiver of that party's right to demand strict compliance, irrespective of the number or duration of any delay(s) or failure(s). No term or condition imposed on either party under this Agreement shall be waived and no breach by either party shall be excused unless that waiver or excuse of a breach has been put in writing and signed by both parties. No waiver in any instance of any right or remedy shall constitute waiver of any other right or remedy under this Agreement. No consent to or forbearance of any breach or substandard performance of any obligation under this Agreement shall constitute consent to modification or reduction of the other obligations or forbearance of any other breach.

9.4. Headings. The headings used in this Agreement are merely for reference. The headings have no independent legal meaning and impose no obligations or conditions on the parties.

9.5. Choice of Law. This Agreement shall be interpreted and governed by the laws of the State of Colorado.

9.6. Indemnification. In the event the I-Representative violates the terms and conditions contained herein, I-Representative agrees to indemnify and hold harmless the Company for any losses, costs, or damages, including reasonable attorneys fees incurred by the Company and relating to, or arising out of such a breach. The I-Representative, not the Company, is solely responsible for I-Representative's behavior and the acts or behavior of any third part accessing I-Representative Website. The Company shall not undertake to resolve any disputes or litigation on Representative's behalf involving use of the services described herein, and I-Representative agrees that it shall indemnify, hold harmless and defend Company against any disputes involving use of the Website.

9.6. Entire Agreement. This I-Representative Terms and Conditions Agreement, as stated herein and as amended or modified

from time to time hereinafter, supersede any and all other agreements, either oral or in writing, between the Company and the I-Representative with respect to the matters stated herein. This Agreement, including any and all other documents incorporated herein by reference, contains all of the covenants and agreements between the parties with respect thereto. The terms and conditions of this Agreement may be amended or modified by the Company at any time. Any such amendments or modifications shall become effective immediately upon the Company's posting on the I-Representatives' Website unless another effective date is specified. Each and every I-Representative reaffirms the Acceptance of this Agreement with the Company upon each and every occasion that the I-Representative exercises use of the Fee-Free Website and, specifically, when the I-Representative endorses or negotiates the monthly compensation checks issued and delivered by the Company to the I-Representative.

I HAVE READ AND UNDER STAND THE TERMS CONDITIONS AND NOTICES OF THIS AGREEMENT. IN THE EVENT I DO NOT CLICK THE "I ACCEPT/AGREE" BUTTON, MY APPLICATION SHALL BE NULL, VOID AND OF NO EFFECT AND I WILL HAVE NO RIGHTS UNDER THE TERMS CONDITIONS AND NOTICES OF THIS AGREEMENT. I ACKNOWLEDGE THAT I KNOWINGLY ACCEPT AND AGREE TO BECOME LEGALLY BOUND BY THE TERMS AND CONDITIONS STATED HEREINABOVE. FURTHER, I ACKNOWLEDGE MY ACCEPTANCE BY PHYSICALLY CLICKING THE "I ACCEPT/AGREE" BUTTON, WHICH ALSO REPRESENTS MY "ELECTRONIC SIGNATURE" AFFIRMING MY ACCEPTANCE. ACTIVATION OF THIS BUTTON ALLOW ME TO HAVE ACCESS TO THE INFORMATION ENTRY PAGE TO PROCEED WITH ENTRY OF THE REQUISITE DATA TO BECOME AN I-REPRESENTATIVE FOR THE COMPANY, SHOULD THE COMPANY ACCEPT MY APPLICATION.

© 2003 COGNIGEN NETWORKS, INC., INDEPENDENT REPRESENTATIVE AGREEMENT TERMS AND CONDITIONS,
NOVEMBER 11, 2002

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EXHIBIT 3

Thursday December 02, 2004



COGNIGEN REPRESENTATIVE COMPENSATION PLAN

Customer Acquisition and Sponsoring Sub-Agents

As a new Independent Agent of Cognigen Networks, Inc. (Cognigen) your primary focus should be on building a large customer base. After that has been accomplished, your second goal should be to duplicate those efforts by introducing others to the Cognigen opportunity as your sub-agents.

Obtaining Accounts

Customer accounts are obtained primarily through the websites provided for you by Cognigen. How they get to your website is something over which you, as an agent, have a great deal of control. Cognigen has a number of tools that can be used to generate traffic to your website but, in order to be successful, you must also market your site and your services to generate traffic. This can be done through your family, your neighborhood, and your local business community, and/or through your own marketing efforts on the Internet. The main web address is <http://LD.net/?yourcognigenID>. Customers entered into the system via your web pages will result in commissions to you.

Sponsoring a Representative

The act of sponsoring takes place when another individual signs up as a new agent of Cognigen via your website. These individuals, and those that sign up under them, will be called your sub-agents and each starts as an Independent Rep (IR).

There are four different ways to earn money:

1. Residuals: Residual commissions are paid monthly to all IRs on their own sales AND 1% Override Residuals (OR) are paid to all IRs on the sales of their "downline" through each of 6 levels provided they maintain at least \$100 in monthly sales revenue and add at least one new Residual paying account every 12 months. In most cases, residual commissions can range from 6% to 12% depending on each IR's personal monthly sales revenue as follows:

Total Monthly Billing	Commission Paid
\$1 to \$4,999	6 to 11%
\$5,000 to \$9,999	7 to 12%
\$10,000 to \$24,999	8 to 13%
\$25,000 to \$49,999	9 to 14%
\$50,000 to \$74,999	10 to 15%
\$75,000 to \$99,999	11 to 16%
\$100,000 +	12 to 17%

NOTE Certain Cognigen in-house services pay a higher commission of 11% with a maximum of 17%

(5 points more than standard residual commissions).

If your new sub-agent is willing to commit to produce monthly sales revenue of \$10,000.00 or more as of the end of their first year with Cognigen; they will start at the \$50,000.00 per month commission level of 10% to 15%.

As will be discussed below, there may be times when residual commissions are paid at levels outside of the 6% to 12% range (these may be paid at higher or lower levels depending on the product or service).

2. Qualified Rep Bonus (QRB): Every time an Independent Rep (IR) becomes a Qualified Rep (QR) \$50 is paid to their QR sponsor and \$10 is paid to the upline QR's through 6 levels. These bonus payments are dependent on the upline QR's maintaining the minimum requirement in monthly sales revenue for their position.

3. Promotion Bonus (PB): Every time a QR promotes to AR by personally sponsoring 5 QRs (thus earning \$250), a total of \$500 is paid incrementally to the upline of the newly promoted AR (i.e, his or her AR, RR, NR, and GR). As in all bonus payments, in order to receive the bonus payment, all of the receiving parties must meet the requirements required for their position in monthly sales revenue.

4. Generational Override (GO): On most services which pay residual monthly commissions, generational override commissions of up to 4% are paid on the monthly sales revenue of the sub-agents below the sixth level in an agent's AR, RR, NR, and GR coded organizations as long as the agent meets the requirements for receiving commission in '3' above. This includes the requirement of maintaining a minimum level of monthly sales revenue required for their position. This commission (GO) is paid to unlimited levels.

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